

OFFICE OF PASSENGER TRANSPORTATION  
2005 DBE Goal

**OVERALL GOAL (26.45)**

Maine DOT, through its Office of Passenger Transportation, intends to expend .75% of the amounts received from federal financial assistance on FTA-assisted contracts with certified small business concerns owned and controlled by socially and economically disadvantaged individuals (DBEs). It is the intent that this expenditure be attained through a .65% race/gender conscious and .1% gender neutral program (see 49 CFR § 26.5 for definitions).

**METHOD OF ESTABLISHING GOAL**

**Step 1**

Maine DOT will calculate the overall goal using the criteria based in 49 CFR § 26.54. The determination will be based on a level of DBE participation relative to all businesses ready, willing and able to participate on FTA-assisted contracts, and reflect a level Maine DOT would expect in the absence of discrimination. The overall goal setting procedure is based on the following:

**Market Area:** The DBE goal for monies received by the Office of Passenger Transportation was established using guidelines published in the Federal Register by first determining the market area and then calculating the DBE goal from that area. The market area was determined to be Statewide, since the substantial majority of the contractors and subcontractors with which MaineDOT does business are located, and the area in which MaineDOT spends the substantial majority of its contracting dollars.

**Data Sources:**

To determine appropriate data sources, the U.S. Census 2000 County Business Patterns (NAICS) Industry Code 48 was compared with the actual list of provider agencies the Department contracts with using FTA funding.

The following NAICS category 485 Transit and Ground Transportation subsets are most relevant:

- 485111 Mixed Mode Transit Systems
- 485113 Bus and Other Motor Vehicle Transit Systems
- 485119 Other Urban Transit Systems
- 485210 Interurban and Rural Bus Transportation
- 485991 Special Needs Transportation
- 485999 All Other Transit and Ground Transportation

The total establishments in the above categories is 17.

The Department's list of actual and potential FTA funding sub-recipient agencies/firms number 39, including two American Indian tribes that are sub sub-recipients. Since the Department list contains agencies/firms not included in category 485, it is more inclusive than NAICS category 485 and therefore determined to be a more accurate reflection of the number of sub-recipient

agencies/firms “ready, willing and able” to provide transit-related services. The number 39, therefore, is the denominator.

The DBE Directory is the basis for “ready, willing and able” DBEs available to provide transit-related services. There are 14 firms statewide listed in the directory that could be considered related to transit work. The Directory was used because a firm can only be considered a “ready, willing and able” DBE after it is certified. There is no other certifying agency in the State of Maine. The 14 firms were counted after analyzing the transit contracts for subcontracting opportunities. These 14 firms do the type of work that is available for subcontracting.

**Formula:**

Numerator <i>(ready, willing and able statewide DBEs)</i>	14	
		$14 \div 39 = 36\%$
Denominator <i>(all firms, including DBEs)</i>	39	

**Base goal = 36%**

**Step 2**

**Adjustments to Base**

- 1. Past Participation**
- 2. Current Capacity for Subcontracting Opportunities**

**1. Past Participation**

Past participation in FTA funded services for the Department are as follows:

FFY 00	FFY 01	FFY 02	FFY 03
.1%	.03%	.01%	.1%

- Median past participation = .1%
- Base goal of 36% + Median past participation .1% = 36.1%
- Total of base goal + medial past participation  $36.1\% \div 2 = 18.05$  average of base goal and median past participation
- Base goal 36% minus 18.05 average = 17.95

**DOWNWARD ADJUSTMENT FOR PAST PARTICIPATION: 17.95**

## 2. Current Capacity for Subcontracting Opportunities

Of the 14 firms counted as the numerator, seven are public relations/marketing firms, one is a lubricant manufacturer and supplier, two are cleaning services, one is an accounting service, one is an air conditioning company, one is a power washing/commercial cleaning service and one is a software developer. None of the transit providers are DBE firms.

While the number of DBE firms indicates a 36% base goal and, with 17.95 downward adjustment for past participation, an adjusted goal of 18.05%, goal *attainment* is measured in percentage of dollars. The percentage of dollars available for subcontracting/consulting on FTA-funded contracts makes an adjusted goal of 18.05% unattainable. For example:

If the five largest sub-recipient agencies subbed out all the work that could be performed by subcontractors/consultants, the percentage of dollar value of that subbed-out work in 2003 would have been a median of 4.17% of all FTA funding available for subcontracting:

- ~~Agency 1 = 2.6% of its budget (\$) offered subcontracting opportunities~~ (lowest)
- ~~Agency 2 = 11.5% of its budget (\$) offered subcontracting opportunities~~ (highest)
- Agency 3 = 4.8% of its budget (\$) offered subcontracting opportunities
- Agency 4 = 3.2% of its budget (\$) offered subcontracting opportunities
- Agency 5 = 4.5% of its budget (\$) offered subcontracting opportunities
  
- $4.8\% + 3.2\% + 4.5\% = 12.5$
- $12.5 \div 3 \text{ Agencies} = 4.17\%$  average sub-recipient FTA dollars available for subcontracting opportunities

Given the nature of transit operations in Maine and the relatively small amount of total subcontracting/consulting dollars available, the 18.05% adjusted goal needs to be further adjusted.

Adjusted goal =  $18.05\% \times 4.17\%$  total potential for subcontracting = .75%  
18.05 minus 17.3 = .75%

## **DOWNWARD ADJUSTMENT FOR CURRENT CAPACITY FOR SUBCONTRACTING OPPORTUNITIES ON FTA-FUNDED PROJECTS: 17.3**

### OVERALL GOAL CALCULATION

**1. Downward adjustment for past participation: 17.95**

**2. Downward adjustment for current capacity: 17.3**

1.  $17.95 + 2. 17.3 = 35.25$

36% base goal minus  $35.25 = .75\%$

**FFY 2005 FTA adjusted DBE goal: .75%**